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DE RUEHSG #0313/01 0922008
ZNR UUUUU ZZH
R 022008Z APR 09
FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4737
INFO RUEHAC/AMEMBASSY ASUNCION 3899
RUEHBO/AMEMBASSY BOGOTA 2351
RUEHBU/AMEMBASSY BUENOS AIRES 1398
RUEHBR/AMEMBASSY BRASILIA 0809
RUEHCV/AMEMBASSY CARACAS 2009
RUEHPE/AMEMBASSY LIMA 6102
RUEHMN/AMEMBASSY MONTEVIDEO 4331
RUEHQT/AMEMBASSY QUITO 2278
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000313

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

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SUBJECT: CHILE MEDIA REPORT - APRIL 2

Leading Stories

1. Chile tied 0-0 with Uruguay yesterday in a qualifying match for the 2010 World Soccer Cup. Dailies continue to report extensively on the status of the collusion investigation of pharmacy chains that allegedly hiked prices beginning in 2005.

U.S.-Related News

2. Editorial: "The G-20 countries will have to shatter the low expectations there are regarding the conference and take serious steps to start coming out of the crisis" (Diario Financiero, business and financial, circ. 30,000, 4/2).

3. Editorial: "Both Europe and Americans... have been working over the past days to polish their differences and find a common ground.... But in this search for consensus, it's possible that the decisions made in London will not be as solid as the world expects and that the meeting will not be very effective in the end" (La Tercera, conservative, independent (circ. 101,000, 4/2).

4. In a conference on IPR and law enforcement in Iquique, Customs Deputy Director for Supervision, Mario Arrue, said that of the US\$371 million pirated products confiscated, 24% are from Iquique, which is a duty-free zone and a center for exports to several points of Latin America. The Deputy Director of the National Prosecutor's Office's Crime Bureau, Catalina Navarro, underscored the judicial process to prosecute piracy is too long and complicated and sentences are very low (La Estrella de Iquique, 4/1).

Narcotics Trafficking

5. At a regional INTERPOL conference in Vina del Mar, the entity's Secretary General Ronald Noble said Chile is not a passage for narcotics. Noble's remarks contradict the information revealed last year by the head of the DEA (in Chile) David Horan, who said that drug mafias have increased the use of Chilean ports to smuggle narcotics to North America and Europe. UDI Senator Jaime Orpis, who works on the narcotics issue, also rejected Nobles words. "The judicial investigations and the (recent) seizure of a ton of ephedrine prove Chile is a (narcotics) passage point," he said.

6. INTERPOL Secretary General Noble acknowledged the threat that new narcotics organizations might establish ties with terrorist organizations, especially Al Qaeda, and urged nations to increase their sharing of information. He said that 150 million people move

through the region every year, but that only 50 million passports are checked. In addition, the U.N. International Oversight Council's 2008 report said that 60% of all cocaine smuggled out of Peru had gone through the borders of Ecuador, Chile, and Brazil. A recent operation shows that 787 kilos of pure cocaine smuggled into Mexico had left a Chilean port; in February, six individuals were arrested in connection to a cocaine smuggling operation, presumably testing a new route. (El Mercurio, 4/2).

¶7. The symbols found on the bricks of drugs confiscated over the past years show that at least eight different Colombian organizations are using Chile to smuggle narcotics (El Mercurio, 4/2).

Bachelet in Russia

¶8. President Bachelet arrived in Russia to meet with President Medvedev and Prime Minister Putin. Her trip is an effort to set Chile as a bridge between Russia and Latin America, as Moscow is strengthening its ties to the region. Bachelet will focus on furthering commercial and political areas, and downplay any ideological component (La Nacion, government-owned, editorially independent, circ. 4,200, 4/2).

Bachelet's Popularity Still Rising

¶9. La Tercera poll shows a 12-point increase in the approval rating of President Bachelet, rising to 61%. Support for the government also increased and is now at 53%. The poll was conducted after the government handed out a 40,000-peso bonus to low-income families to help them face the economic crisis (La Tercera, conservative, independent, circ. 101,000, 4/2).

SIMONS